



URAN LIMITED

**QUARTERLY REPORT  
for the period ending  
31 March 2011**

**Highlights**

- Initial drilling at Emmanuel manganese project in Zambia completed, results awaited.
- Shipping of trial parcels of ore commenced in April. Target to start production in third Quarter 2011.
- Contracts for sale of ore are under negotiation.
- Drilling commenced at Mesa Montanosa uranium Project, USA.
- Underwritten Rights Issue to raise \$4.56 million.

**Zambian Manganese Projects**

Uran Limited is continuing its due diligence review of the proposed acquisition from African Asian Mining Development Company Ltd ("AAMD") and its Zambian associates of a 51% interest in a number of manganese projects in Zambia, including two with potential for rapid transition to mining. Uran can increase its interest to 74%. The due diligence period has been extended until at least the end of April.

The due diligence being undertaken includes legal and commercial and a specific drilling and ground magnetic survey program. Results to date of this due diligence have been positive and on this basis the Company is expecting final due diligence to be completed satisfactorily permitting a decision to proceed with the acquisition.

**Initial Drilling Completed at Emmanuel Project**

The first round of drilling, comprising 15 RC and 7 diamond core holes, has been completed at the Emmanuel Project near Kabwe in central Zambia, and assay results are awaited. Drilling was interrupted due to the heavy wet season, and further drilling will be carried out as the ground dries.

Grab samples taken from the mine in 2010 returned assays of 45–52% MnO<sub>2</sub>. Drilling intercepted massive manganese veining dipping at about 60 degrees to the east and extending at least 300 metres to the south-west on strike from the existing open pit.

The mineralised structure extends for over 50 kilometres across the project area and is being exploited by 3 operating manganese mines abutting the eastern boundary of the project area.



RC drilling at Emmanuel Project, Kabwe



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The current drilling is on a granted mining lease on which some mining was carried out in 2010. No further permits are required to re-commence mining, and negotiations are underway with several parties regarding sale of manganese ore. Manganese from the area is high quality with very low deleterious elements and is therefore readily saleable.

The project is only 8 kilometres from the railway line at Kabwe, which has substantial infrastructure supporting other manganese mining in the area.

The Company, in conjunction with Impondo Mining Services (Uran's South African based mining services partner), is completing the mining, technical, logistical and commercial requirements surrounding a potential June 2011 production commencement date.

### **Preparation for Drilling at Peco Project.**

Construction of a road to allow easy access to the Peco Project, near Mansa in northern Zambia, was delayed by the heavy wet season but is expected to commence in April. Peco abuts Genesis Procurement Company's operating manganese mine which has exposed the manganese veining running into Peco.

Ground magnetic surveying at Peco commenced in early April preparatory to drilling.

Substantial manganese mining is being carried out adjacent to and extending right to the boundary of the Peco SML by UK-based Genesis Procurement company. Genesis is reported to have stated that it is currently producing about 48,000 tonnes of manganese ore per annum from its mines in Zambia, with ore grading between 45 – 63% MnO<sub>2</sub>. The scale of mining appears considerably greater than this, with 3 25-tonne haul trucks and 3 crushers operating on site.

Mineralisation is generally shallow, ranging from exposed at surface to depths of 50 metres. Grade is high, with assays by Impondo in 2010 being in the range 48-60% MnO<sub>2</sub>.

### **Regional Exploration**

The projects cover 2,734 km<sup>2</sup> including large areas known to be prospective for manganese. An aerial magnetic survey is planned over part of the area to locate targets for ground follow-up.

The Company's light 4WD-mounted RC drill rig is being shipped to Zambia from the Grants office in order to provide quick and inexpensive testing of targets identified by magnetic surveys.

### **Sale of Manganese Ore**



Trial ore parcel, Kabwe yard.

A parcel of 120 tonnes of manganese ore which has been bought in from artisanal miners has been sold and is being shipped to market to test transport routes. The viability of purchasing significant amounts of manganese ore from local miners for on sale is being evaluated, and is likely to augment the company's own production.

The company has a large compound with office and secure yards in Kabwe, where ore will be stored prior to shipment.

## **Grants Ridge Joint Venture, New Mexico**

Uran is earning a 65% interest from joint venture partner Uranium Energy Corp (NYSE:UEC) in the Grants Ridge Joint Venture (GRJV). The GRJV covers 2,270 hectares of mineral claims and freehold (minerals to owner) land covering numerous historic shallow uranium mines in the Grants uranium belt. This mineral belt was the largest uranium producing region in the USA in the previous production cycle, producing a reported 155,000 tons of U<sub>3</sub>O<sub>8</sub>.

### ***Mesa Montanosa (GRJV)***

Drilling commenced in early April at the Mesa Montanosa Project. Drilling is designed to test for extensions of known mineralisation on strike from previous mining, and to test for new occurrences in areas identified by radon and seismic surveys in December 2010 and January 2011.

A seismic survey was completed in early January to delineate mineralised structures, to assist with locating drill-holes particularly in the western part of the project. The seismic survey accurately defined a number of faults which are thought to localize uranium mineralisation.

### **Corporate**

After the Quarter the company has secured underwriting for a Rights Issue to raise approximately \$4.56 million. Details have been released in a separate announcement today.

Cash at the end of the Quarter was \$618,000.

In January Uran completed a placement of 36,363,635 shares at 2.2 cents (with 1 for 1 free attaching Option) to raise \$800,000.

Kate Hobbs  
MANAGING DIRECTOR



Drilling at Mesa Montanosa

#### **Competent Person Statement**

*The information in this statement as it relates to Exploration Results and metal content is based on information compiled by Ms Kate Hobbs, the Company's Managing Director, a full time employee of the Company. Ms Hobbs has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Ms Hobbs consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.*